

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of

PURCHASED WATER ADJUSTMENT OF)
JOHNSON COUNTY WATER DISTRICT) CASE NO. 6273-A

O R D E R

On December 30, 1981, Johnson County Water District ("Johnson County") filed its application with the Public Service Commission ("Commission") seeking authority to adjust its rates for service. The increase sought is the result of an increase in the cost of wholesale water purchased from the City of Paintsville. Johnson County further requested approval of revised rules and regulations for the provision of service, increases in special service charges and tap-on fees, and establishment of monthly fire protection rates.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) As part of its tariff, Johnson County should file a purchased water adjustment clause that is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause. Appendix B contains a sample purchased water adjustment tariff which is acceptable to the Commission.

(2) Johnson County's supplier, City of Paintsville, increased the wholesale cost of water effective January 1, 1980.

(3) Johnson County is no longer able to absorb the increased cost of the wholesale water.

(4) In calculating its purchased water adjustment, Johnson County computed its water costs based on an average monthly usage arrived at after making adjustments for the maximum 15 percent line loss. The difference in water costs, based on the average monthly usage at the old and new rates, was then annualized to arrive at a total allowable increase of \$27,751 or \$.60 per 1,000 gallons. This calculation is incorrect inasmuch as the purchased water costs are to be based on actual gallons, plus the maximum 15 percent line loss allowance, rather than average gallons. The corrected purchased water adjustment allows a total increase of \$26,658 or \$.58 per 1,000 gallons.

(5) The base rate for purchased water for future application of the purchased water adjustment clause should be:

<u>Supplier</u>		<u>Rate</u>
City of Paintsville	First 2,000 gal.	\$5.95 per 1,000 gal.
	Next 3,000 gal.	2.55 per 1,000 gal.
	Next 5,000 gal.	2.25 per 1,000 gal.
	Next 15,000 gal.	1.95 per 1,000 gal.

Supplier (continued)

Rate

Next 25,000 gal.	\$1.70 per 1,000 gal.
Next 50,000 gal.	1.55 per 1,000 gal.
Over 100,000 gal.	1.45 per 1,000 gal.

(6) The rates in Appendix A are fair, just and reasonable and should be approved.

(7) The Commission will require additional information to determine the reasonableness of the revised rules and regulations, including the proposed monthly rates for fire protection services and increased service charges. These issues are not related to the purchased water adjustment and should be considered separately in a different proceeding.

IT IS THEREFORE ORDERED that, as part of its tariff, Johnson County shall file a purchased water adjustment clause that is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause.

IT IS FURTHER ORDERED that the purchased water adjustment of \$.58 per 1,000 gallons and the rates in Appendix A be and they hereby are approved, effective with water supplied on and after the date of this order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Johnson County, the base rate for purchased water shall be:

Supplier

Rate

City of Paintsville

First	2,000 gal.	\$5.95 per 1,000 per gal.
Next	3,000 gal.	2.55 per 1,000 per gal.
Next	5,000 gal.	2.25 per 1,000 per gal.
Next	15,000 gal.	1.95 per 1,000 per gal.
Next	25,000 gal.	1.70 per 1,000 per gal.
Next	50,000 gal.	1.55 per 1,000 per gal.
Next	100,000 gal.	1.45 per 1,000 per gal.

IT IS FURTHER ORDERED that the reasonableness of the revised rules and regulations, the proposed fire protection rates and increased service charges shall be considered separately and that cost information justifying the fire protection rates, appropriate notification of customers affected thereby and such other information as may be required shall be filed by Johnson County as a part of Case No. 8473.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Johnson County shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 15th day of March 1982.

PUBLIC SERVICE COMMISSION

Marilyn M. Voth
Chairman

Katherine Randall
Vice Chairman

LEWIS Carrigan
Commissioner

ATTEST;

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 6273-A DATED MARCH 15, 1982.

The following rates are prescribed for the customers served by Johnson County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Gallage Block</u>	<u>Monthly Rate</u>
First 3,000 gallons	\$11.54 minimum
Next 3,000 gallons	2.88 per 1,000 gallons
Over 6,000 gallons	2.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 6273-A DATED MARCH 15,
1982.

For _____
Community, Town, or City

P.S.C. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

Name of Issuing Corporation

RATE
PER UNIT

PURCHASED WATER ADJUSTMENT CLAUSE

Tabulation Form to be used for purchased water adjustments in
accordance with 807 KAR 5:067, Purchased Water Adjustment Clause,
as adopted by the Public Service Commission.

1. Volume of water purchased for 12-month
period ending _____
(which is within 3 months of effective
date of supplier's rate change 1/ _____ M Gal.
2. Cost at new rates \$ _____
3. Cost at Base Rate \$ _____
4. Total change in cost (Item 2 minus
Item 3) \$ _____
5. Volume sold for same period as in
Item 1 _____ M Gal.
6. PWA per M gallon sold
(Item 4 divided by Item 5) _____ ¢

Note 1: Item 1 cannot, for this computation table, exceed Item 5
divided by 85.

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY _____
Name of Officer

TITLE _____

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. _____ dated _____.

For _____
Community, Town or City

P.S.C. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

RATE
PER UNIT

PURCHASED WATER ADJUSTMENT CLAUSE (Cont.)

In the event a refund is received from the supplier for amounts previously paid, the following tabulations will be made:

1. Total refund received \$ _____
2. Total amount of water estimated to be sold during 2 month period beginning with the first day of the month following receipt of the refund _____ M Gal.
3. Refund factor per unit of water sold (Item 1 divided by Item 2) _____ ¢
4. The refund factor may be adjusted in the final month to more accurately reflect the amount to be refunded

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY _____
Name of Officer

TITLE _____

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ dated _____.